



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

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Baucus: Tax Bill Won't Provide Significant Economic Stimulus, Fails to Provide for America's Working Families and Small Businesses *Senator Criticizes "Yo-Yo" Tax Provisions*

(WASHINGTON, D.C.) As the Senate moved today to pass the tax package by narrow margins, U.S. Senator Max Baucus expressed his grave concerns that the bill won't provide significant economic stimulus and will further burden our country's working families and small businesses through provisions that are "here today, gone tomorrow."

The \$350 billion tax package passed by the Senate involves reducing the rates at which taxes are paid on dividends and accelerating cuts to individual tax rates. Baucus said that a majority of this tax relief will be felt by corporations and higher income individuals who are less likely to reinvest in the economy.

Baucus especially expressed concern over the plan to sunset certain provisions after just a few years, such as the marriage tax penalty and child tax credit.

"Increasing the child tax credit and eliminating the marriage tax penalty will provide tax relief to our nation's families -- and these are the provisions that the bill will sunset after only a few years," Baucus said. "Phase-ins and sunsets are used to shoehorn large tax cuts into a small budget window. This tax cut is one big yo-yo. Now you see it. Now you don't."

Baucus is also concerned with the way the tax bill was crafted, saying that by working together, the Congress could have developed a bill that would have provided genuine economic stimulus and gained widespread support.

"A small group of Members crafted the final version of the bill while the majority of us were left out of the discussion. This resulted in an ineffective, irresponsible package that was condemned by half of the Senate. That's not the way to do business," Baucus added.

Earlier this year, Baucus worked closely with Chairman Chuck Grassley (R-Iowa), Sens. George Voinovich (R-Ohio), and Olympia Snowe (R-Maine) to ensure that the final tax bill would not exceed \$350 billion.

"I would like to thank Chairman Chuck Grassley and Senators George Voinovich and Olympia Snowe for their commitment to holding the tax bill to \$350 billion," Baucus said. "While I can't support the final bill, I commend my three colleagues for keeping their word despite difficult circumstances."

"Unfortunately, it is only through gimmicks and games that the tax bill is held to \$350 billion. This bill will lead to higher deficits and more uncertainty for our country. It's a disappointment that a better outcome wasn't achieved for our economy and our nation."

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-- Floor Statement Follows --

